

# Memorandum

Date: October 13, 2017

To: The Honorable Michael Picker,  
President  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, California 94102

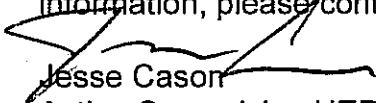
From: Department of Water Resources

Subject: Notification of Determination of Revenue Requirements for 2018

Pursuant to California Water Code sections 80110 and 80134 and the Terms and Conditions of the March 8, 2002 Rate Agreement between the California Department of Water Resources (DWR) and the California Public Utilities Commission (Commission), DWR hereby advises and notifies the Commission of its Determination of Revenue Requirements for the period January 1, 2018 through and including December 31, 2018, provided to the Commission on August 7, 2017, remains unchanged<sup>1</sup>. DWR has made its determination in accordance with California Water Code, Division 27 and the California Code of Regulations, Division 23, Chapter 4, Sections 510–517. After reviewing its Operating Results as of September 30, 2017, the DWR determined that no changes to its 2018 Revenue Requirement dated August 7, 2017 are required.

To enable the allocation of the revised revenue requirement, DWR requests that the CPUC calculate, revise and impose Bond Charges in accordance with Article V of the Rate Agreement sufficient to satisfy the Rate Covenant therein. As noted in prior revenue requirements, DWR ceased purchasing power for sale to customers in the IOUs service areas in 2015, therefore the imposition of a Power Charge is not required. Additionally, there are no excess amounts in the Power Charge Accounts to be allocated back to ratepayers in the IOU service areas in this Revenue Requirement Determination for the period January 1, 2018 through and including December 31, 2018. Any future excess amounts in the Power Charge Accounts will be included in subsequent revenue requirement filings.

DWR appreciates the Commission's assistance in implementing its Revenue Requirements Determination for 2018. If you have any questions or need additional information, please contact me at [jesse.cason@water.ca.gov](mailto:jesse.cason@water.ca.gov) or (916) 557-4620.

  
Jesse Cason  
Acting Supervising HEPU Engineer  
California Energy Resources Scheduling  
2033 Howe Avenue, Suite 220  
Sacramento, California 95825

Attachment  
(cc: See attached list.)

<sup>1</sup> Capitalized terms are not defined herein shall have the meaning set forth in the Rate Agreement.

Honorable Michael Picker  
October 13, 2017  
Page 2

cc: Honorable Carla J. Peterman, Commissioner  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, California 94102

Honorable Liane M. Randolph, Commissioner  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, California 94102

Honorable Martha Guzman Aceves, Commissioner  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, California 94102

Honorable Clifford Rechtschaffen, Commissioner  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, California 94102

Honorable Stephen C. Roscow, Administrative Law Judge  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, California 94102

Mr. Timothy Sullivan, Executive Director  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, California 94102

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Service List Rulemaking 15-02-012 (via electronic mail)